Distr.
LIMITED

TD/B/WG.4/L.7
3 March 1994

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Expansion
of Trading Opportunities for
Developing Countries
Third session
Geneva, 28 February 1994

DRAFT REPORT OF THE AD HOC WORKING GROUP ON EXPANSION OF TRADING OPPORTUNITIES FOR DEVELOPING COUNTRIES ON ITS THIRD SESSION

Held at the Palais des Nations, Geneva,
from 28 February to 4 March 1994

Rapporteur: Mr. Dietmar-Gert Lackner (Austria)

AGENDA ITEMS 1, 2 AND 3

Note for Delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments - to be submitted in English or French - should be communicated by Friday, 11 March 1994 at the latest to:

The UNCTAD Editorial Section
Room E.8106
Fax No. 907 0056
Tel. No. 907 5657 or 5655

GE.94-50818

INTRODUCTION

1. The Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries held its third session at the Palais des Nations, Geneva, from 28 February to 4 March 1994. In the course of the session, the Ad Hoc Working Group held ..... plenary meetings.

Opening statements

2. The **Chairman** drew attention to the work programme of the Ad Hoc Working Group, which calls for the Group to take into account global trends in the world economy in its examination of ways to expand the trading opportunities of developing countries. At its meeting on 16 December 1993, the Bureau of the Ad Hoc Working Group agreed that it would be desirable to address the subject of global trends at the Group's third session. The Bureau also agreed that it would be useful to invite a panel of experts to assist the Group in its analysis of global trends. In order to constitute such a panel, the Bureau agreed that the Chairman should request member States of the Ad Hoc Working Group to include relevant experts in their delegations to the third session. Accordingly, the Ad Hoc Working Group would devote a portion of the present session to a consideration of global trends and issues affecting trading opportunities of developing countries, including the panel discussion.

3. The **Deputy to the Secretary-General of UNCTAD** welcomed all delegations and guests on behalf of the Secretary-General. The Ad Hoc Working Group was at a critical juncture, he observed, because it had only a short period in which to carry out its assigned tasks and also because of its responsibility to contribute to the review to be conducted by the Trade and Development Board midway between Conferences, as agreed at UNCTAD VIII. The latter task involved a review and evaluation of the UNCTAD work programme. To this end, not only the Board itself but each of its subsidiary bodies was expected to assess the extent to which effect had been given to the relevant recommendations of UNCTAD VIII and to consider such further action as might be appropriate, making the outcome of these assessments available to the mid-term review to be conducted at a resumed session of the Board, scheduled to take place from 25 to 27 May 1994. Preliminary consideration would be given to this matter during the second part of the Board's fortieth session, from 18 to 29 April 1994. In keeping with this timetable, the President of the Board had invited all Chairmen of subsidiary bodies to prepare, in consultation with representatives of States members, an assessment for prompt submission to the Secretary-General of UNCTAD in his capacity as Chairman of the Informal Working

Group charged with preparations for this review. The President of the Board had also stressed that the assessment should be as concise and focused as possible. The success of the mid-term review would depend in large measure on these contributions.

4. As for the implementation of the work programme itself, the numerous presentations on national experience transmitted by Governments for consideration under item 3 (a) of the agenda amply demonstrated the support given to the effort under way aimed at the expansion of trading opportunities for developing countries. Likewise the reports by the UNCTAD secretariat, covering regional integration arrangements, environmental measures and technical assistance, which were before the Group would facilitate discussion on the issues raised under items 3 (b) and (c) of the agenda. A further aspect of the work programme involved analysing the world economy with a view to determining global trends. To assist the Group with the latter endeavour, a high-level panel of experts would lead and participate in the discussions.

Chapter I

CONSIDERATION OF ISSUES ARISING FROM THE WORK PROGRAMME OF THE AD HOC WORKING GROUP

(a) Country presentations of national experience (export capabilities, market opportunities, export promotion and marketing)

(b) Market opportunities (regional integration arrangements, environmental measures)

(c) Technical cooperation

(Agenda item 3)

5. For its consideration of this item, the Ad Hoc Working Group had before it the following documentation:

"Market opportunities (environmental measures, structural adjustment policies, RBPs)", report by the UNCTAD secretariat (TD/B/WG.4/6)

"Market opportunities (trade measures, implications of regional integration arrangements)", report by the UNCTAD secretariat (TD/B/WG.4/7 and Corr.1)

"Technical cooperation for the expansion of trading opportunities for developing countries", report by the UNCTAD secretariat (TD/B/WG.4/10)

"Environmental considerations in trade promotion and export development", note by the International Trade Centre UNCTAD/GATT, (TD/B/WG.4/Misc.24)

"Executive summary of the study on foreign direct investment and exports of manufactures for developing economies", note by the UNCTAD secretariat (TD/B/WG.4/CRP.2)

Country presentations from Bolivia (TD/B/WG.4/Misc.2), Turkey (TD/B/WG.4/Misc.3), Panama (TD/B/WG.4/Misc.4), Ecuador (TD/B/WG.4/Misc.5 and Corr.1), Oman (TD/B/WG.4/Misc.6), Benin (TD/B/WG.4/Misc.7), Colombia (TD/B/WG.4/Misc.8), Germany (TD/B/WG.4/Misc.9), Brazil (TD/B/WG.4/Misc.10),

Republic of Korea (TD/B/WG.4/Misc.12), Switzerland (TD/B/WG.4/Misc.13), United States of America (TD/B/WG.4/Misc.14 and Add.1), Nepal (TD/B/WG.4/Misc.15), Finland (TD/B/WG.4/Misc.16), Japan (TD/B/WG.4/Misc.17), India (TD/B/WG.4/Misc.18), France (TD/B/WG.4/Misc.19), Mexico (TD/B/WG.4/Misc.21), China (TD/B/WG.4/Misc.22), Norway (TD/B/WG.4/Misc.23), Russian Federation (TD/B/WG.4/Misc.25), Romania (TD/B/WG.4/Misc.27), ACP (TD/B/WG.4/Misc.28), Indonesia (TD/B/WG.4/Misc.29).

6. In introducing this item, the **Director of the International Trade Division** called attention to the documentation which had been prepared to assist the Ad Hoc Working Group in its discussions. Chapter II of the report dealing with regional integration arrangements (TD/B/WG.4/7) examines the possible implications of major regional integration arrangements in terms of the export market opportunities of developing countries. The effects of such groupings on the trading opportunities of developing countries participating in them have been evaluated along with the effects on those remaining outside the arrangements. The report also analyses the extent to which the improved productivity and efficiency of producers inside groupings may render competition more difficult for groups or world markets. As for environmental measures, he recalled that the Ad Hoc Working Group had decided at its second session to continue discussion on this matter at the third session, on the basis of the report TD/B/WG.4/6. Further to this subject, cooperation on eco-labelling would be reported on in due course. Moreover, the International Trade Centre UNCTAD/GATT (ITC) had most kindly prepared a note entitled "Environmental considerations in trade promotion and export development" (TD/B/WG.4/Misc.24) which would be introduced by the ITC representative.

7. The report TD/B/WG.4/7 also takes up the issue of trade measures as a factor determining the export possibilities for developing countries. In accordance with Recommendation 1 endorsed by the Ad Hoc Working Group at its second session, the results of the Uruguay Round with a major bearing on this issue will be considered at the fourth session of the Ad Hoc Working Group scheduled to take place from 4 to 8 July 1994.

8. With respect to sub-item 3 (c) of the agenda, the report on technical cooperation prepared by the UNCTAD secretariat (TD/B/WG.4/10) underlined the needs and requirements of developing countries for technical assistance with respect to three areas: (a) expanding export capabilities; (b) strengthening investment environments to attract FDI; and (c) strengthening institutional capacities for economic policy-making and management. The paper had also identified the priority

needs of developing countries. In this connection he drew special attention to paragraphs 51 to 53 highlighting the problem of adequacy of resources for technical cooperation. In closing he expressed appreciation to UNIDO, FAO and ITC for undertaking to share their valuable ideas on technical assistance.

[to be completed]

Chapter II

PROCEEDINGS OF THE ... (CLOSING) PLENARY MEETING

[to be completed as appropriate]

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

6. The third session of the Ad Hoc Working Group was opened on 28 February 1994 by the Chairman.

B. Election of officers [1]

(Agenda item 1)

7. At its 7th (opening) plenary meeting on 28 February 1994, the Bureau of the Ad Hoc Working Group was constituted as follows:

Chairman:	Mrs. Magda Shahin (Egypt)
Vice-Chairmen:	Mr. I. Kinnas (Greece) Mr. P. Hutabarat (Indonesia) Mr. C. Sinencio (Mexico) Mr. Y. Afanassiev (Russian Federation) Mr. H. Dzvimbo (Zimbabwe)
Rapporteur:	Mr. Dietmar-Gert Lackner (Austria)

C. Adoption of the agenda and organization of work

(Agenda item 2)

8. At its 7th (opening) plenary meeting on 28 February 1994, the Ad Hoc Working Group adopted its provisional agenda (TD/B/WG.4/9) as follows:

1. Election of officers
2. Adoption of the agenda and organization of work

---

[1] In accordance with the decision taken by the Trade and Development Board at the first part of its thirty-ninth session, the officers elected at the first session of the Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries are to remain in office for the duration of the life of the Ad Hoc Working Group. In view of the replacement of some officers at the second session, the elected officers of the Working Group are currently as indicated.

3. Consideration of issues arising from the work programme of the Ad Hoc Working Group:

   (a) Country presentations of national experience (export capabilities, market opportunities, export promotion and marketing)

   (b) Market opportunities (regional integration arrangements, environmental measures)

   (c) Technical cooperation

4. Provisional agenda for the fourth session of the Ad Hoc Working Group

5. Other business

6. Adoption of the report of the Ad Hoc Working Group to the Trade and Development Board, fortieth session, second part (resumed), mid-term review.

D. Provisional agenda for the fourth session of the Ad Hoc Working Group

(Agenda item 4)

[to be completed]

E. Other business

(Agenda item 5)

[to be completed]

F. Adoption of the report of the Ad Hoc Working Group

[to be completed]